OPENING STATEMENT

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Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to provide testimony on the reauthorization of the Substance Abuse and Mental Health Services Administration. SAMHSA was created in 1992 as a public health agency in recognition of the need for Federal leadership in improving the quality and availability of substance abuse prevention, addiction treatment and mental health services. SAMHSA has successfully provided that leadership for almost five years now. In the area of substance abuse, we welcome the leadership and support of the Director of the Office of National Drug Control Policy (ONDCP), General Barry McCaffrey. SAMHSA and ONDCP staff are working well together to ensure coordination of Federal demand reduction efforts and to achieve the goals of the President's National Drug Control Strategy.

With the Subcommittee's help we are proposing to take SAMHSA in some new directions to meet the challenges of the 21st century. I will begin with a brief overview of our programs and the status of substance abuse prevention and treatment and mental health services in America. Next, I will outline the details of our proposals. Finally, I will discuss how these proposals will ensure that SAMHSA continues to provide leadership for the

Nation's substance abuse prevention, addition treatment and mental health service systems.

At SAMHSA, we work to achieve our mission in partnership with other Federal agencies, States and counties, communities and employers, consumers and families, advocates and associations, and health professionals through a number of funding streams and programs. In particular, SAMHSA administers the Substance Abuse Prevention and Treatment Block Grant and the Community Mental Health Services Block Grant to the States. Through our data collection efforts, SAMHSA serves as a national authority on the prevalence and incidence of drug use and abuse, addiction treatment capacity and services delivered, mental health epidemiological data on adults and children and data on mental health providers and services. SAMHSA also administers the Children's Mental Health Services Program, the Protection and Advocacy Program, and the Projects for Assistance in Transition from Homelessness program (PATH). And, SAMHSA's discretionary grant program is focused on increasing the use of proven practices through "Knowledge Application" and increasing behavioral health system capacity by improving efficiency and effectiveness of services through "Knowledge Development". Given

this approach, we call our discretionary grant program our Knowledge Development and Application or KDA program.

Over the past five formative years for SAMHSA, each of these programs and funding streams have faced and improved as a result of barrage of changes and challenges. A confluence of deficit reduction, government streamlining, increased accountability and emphasis on outcome measures, devolution of Federal responsibilities to States, and a revolution in behavioral health care service delivery have resulted in an opportunity to propose creative, new approaches for achieving SAMHSA's mission.

At the same time, the Nation's leading indicator on drug abuse, SAMHSA's National Household Survey on Drug Abuse, has shown that marijuana use among the Nation's youth is on the rise and our children are trying drugs at increasingly younger ages. Yet, in a tribute to successful prevention efforts, overall adult rates of illicit drug use in the United States has been cut in half from the peak in 1979 and remained level since 1992.

If there is one thing we have learned from the recent increase in youth drug use it is that preventing and reducing

drug abuse requires a long-term sustained commitment of Federal, State and community leadership, as well as resources and the development of creative new ideas. Our past work has shown we cannot focus on just one drug alone. Starting early in life, each new generation needs to be immunized and receive "booster shots" against all forms of substance abuse - from methamphetamine to marijuana and from alcohol to tobacco.

Today's social trends make this generation of youth even more vulnerable than those in the past. The proponents of drug legalization are better organized than ever before; kids report drugs are easily obtained; and the perception of harm of drug use is on the decline among youth. For the first time ever, we're facing a generation of youth many of whose well-educated parents experimented with marijuana in their own youth. Therefore our problem is made even more difficult because these parents maybe uncomfortable telling their own children not to use marijuana.

Today, we know with certainty what we were not sure of 30 years ago: marijuana is harmful. It is harmful to an individual's health and the public safety. We must continue to make a serious effort to protect our children. In this regard we

are particularly concerned about the efforts to legalize medicinal use of marijuana in California and Arizona. These efforts are especially problematic because they send mixed messages about smoked marijuana use and are really a covert attempt to legalize marijuana use for non-medical purposes.

The good news is that SAMHSA's past investments in substance abuse prevention demonstration grants have produced strategies that directly counteract some or all of these national social trends. In short, we know what prevention strategies work. Successful programs are comprehensive and take advantage of key opportunities to provide youth -- early on in life -- with positive messages, role models and opportunities to learn and achieve. The programs that have employed these strategies have shown positive long-term effects and cost savings. We are now working on ways through our KDA program and block grant to achieve wider adoption of these strategies.

Another area where SAMHSA is making a difference is in the field of addiction treatment. Last fall, we released the preliminary findings of the National Treatment Improvement Evaluation Study (NTIES), a five-year study on the impact of drug

and alcohol treatment on over 5,000 clients treated in substance abuse treatment programs funded by SAMHSA. In a comparison of behaviors a year before and a year after drug abuse treatment, the rate of respondents reporting marijuana use declined 50 percent, cocaine use declined 55 percent, crack use declined 51 percent, and heroin use declined 46 percent. The study also noted large reductions in criminal behavior - the rate of respondents selling drugs and committing violent crime declined by 78 percent. These results are from our most under served and vulnerable populations whose drug problems tend to be more severe and who have few social supports to help in their recovery.

Addiction treatment is effective, it improves lives and saves resources across a broad spectrum of public sector programs. For example, a California study of treatment effectiveness indicated that for every dollar invested in treatment the public incurred a return of 7 dollars of savings from reducing criminal justice, health care, and welfare costs. A similar study in Oregon found for each dollar invested in treatment there was more than a 5 dollar return in savings. Unfortunately, the problem is that almost half of the 3.5 million people in serious need of treatment for drug dependence, do not

receive treatment. Through our KDA program we are working on developing cost saving strategies that can potentially increase the capacity to provide services and at the same time improve the quality of these services.

In the delivery of mental health treatment, we face similar challenges. Appropriate mental health services can prevent problems from compounding and promise recovery for many people who have serious mental illness. Indeed, 80 to 90 percent of those who experience depression respond quickly to treatment. Medications and therapy can help up to 80 percent of those diagnosed with bipolar disorder, and with proper medication, 80 percent of people diagnosed with schizophrenia can be relieved of acute symptoms and move beyond illness to lead productive lives. Yet, despite the many advances in mental health treatment in America, we know that services are not reaching all those who need them. Only one fourth of the more than 50 million Americans who experience a mental disorder in any given year receive treatment. While the President's and Congress's support of the law that requires insurance companies to have the same annual and life time limits for mental health services as they do for primary health care will certainly help, there are still a number

of barriers to appropriate mental health care, including stigma associated with mental illness, lack of insurance coverage, lack of information in some communities on effective treatment and service approaches. SAMHSA is working in partnership with States, communities, service providers, consumers and families to address service and information gaps and improve system performance.

Addressing the needs of people with co-occurring disorders is another challenge and SAMHSA is leading the progress. In addition to the prevalence of drug use, SAMHSA's Nation Household Survey on Drug Abuse shows a clear relationship between mental health and substance use, abuse and dependence. Adolescents with psychosocial problems are more likely to use cigarettes or engage in "binge" drinking and much more likely to use marijuana than those with little or no indication of mental health problems. Adults with a major depressive episode, generalized anxiety disorder or panic attack are about twice as likely to be dependent on cigarettes and several times more likely to be dependent on illicit drugs than those with none of these mental disorders.

According to the National Comorbidity Survey, with co-occurring disorders, the mental disorder often occurs first, during adolescence and 5 to 10 years before the addictive disorder. While this provides a "window of opportunity" for targeted substance abuse prevention interventions and needed mental health services, two-thirds of young people in this country who suffer from a mental disorder are not receiving the help they need. Without that help these problems can lead, in addition to alcohol and illicit drug abuse, to school failure, family discord, violence and even suicide. SAMHSA is leading a vigorous efforts to help families, educators, and others who work with children and adolescents, as well as young people themselves - to recognize mental health problems and seek appropriate services. This is a key goal of our Children's Mental Health Services Program and our Caring for Every Child's Mental Health: Communities Together initiative.

We know that substance abuse prevention, addiction treatment and mental health services improve lives, strengthen families and increase productivity, yet needs exceed our national capacity. This fact combined with the evolving health care system, the changing roles of and relationships between Federal, State and

local governments, and the efforts at deficit reduction all factor into how SAMHSA plans to continue to execute its mission in the years to come.

One of the most important tools available to SAMHSA for increasing the capacity to deliver quality services and to implement new findings is the substance abuse and mental health block grants. We are proposing to transition these block grants into Performance Partnership Block Grants. Our proposal will increase State flexibility by allowing States to set their own priorities for expenditures and management of grant funds.

For example, we propose consolidating 12 required State plan criteria for the Community Mental Health Services Performance Partnership Block Grant into five. This will not only reduce the quantity of requirements on the States but also provide States more opportunity to focus on and develop a community based mental health approach.

For the Substance Abuse Prevention and Treatment Performance Partnership Block Grant, we are proposing to increase flexibility through a reduction in the number of mandatory requirements and

the creation of a conditional waiver authority for the Secretary of the Department of Health and Human Services for some provisions such as tuberculosis services, the set aside for pregnant addicts and mandatory treatment for intravenous drug users. To maintain the focus on services for particular populations of importance to Congress and constituency groups the granting of the waiver would be conditioned on the development of performance measures for the particular target populations under the requirement. SAMHSA proposes to develop such performance measures which would include capacity, process and outcomes measures through a negotiated process in partnership with the States and other constituency groups.

As we transition to Performance Partnership Block Grants, our efforts are guided by four core principles: 1) We are working with State and local governments on the basis of a trust relationship and in an open effort to define shared expectations about program outcomes. 2) The emphasis will be on ultimate outcomes. Performance measures that identify meaningful outcomes should be the basis for assessing the success or failure of programs. 3) States or communities should be given maximum flexibility to adjust programs to local needs and priorities,

consistent with the broad purposes of the authorizing statutes.

4) The Federal government will continue to provide leadership, vision and the core resources to enable States and communities to be effective in their management of programs. Maintaining and enhancing core capacity includes assisting with high quality data and surveillance systems to meet national and state needs, infrastructure and the ongoing provision of technical assistance and training.

We are already beginning to work with some States through pilot projects to identify performance measures, develop data reporting systems and establish a sound basis for outcome oriented, Federal-State partnerships. Currently, SAMHSA devotes approximately 56 million annually to data collection in the Substance Abuse and Mental Health fields combined. It is very clear that the States vary in their ability to collect and analyze data on cost, organization, human resources and especially outcomes data. Therefore, to support the modification of the Block Grants, we are proposing a new authority for grants to States for data collection and analysis with regard to performance measures including measures of capacity, process and outcomes. In exchange for new resources States would agree to

work with SAMHSA to develop a minimum set of performance measures for treatment and prevention programs, and to put in place a system for the collection and reporting of such information. We believe such a program will not only assist State in their outcome measurement efforts, but would also contribute to the national picture of our progress in mental health and substance abuse prevention and treatment, and aid us in fulfilling requirements under the Government Performance Review Act (GPRA).

The Knowledge Development and Application(KDA)program also represents a new approach for SAMHSA's discretionary grant program. Given changing needs and new national priorities, SAMHSA re-directed the focus of its discretionary grant program from one of supplementing and building service capacity to a targeted approach of developing and applying knowledge that will leverage Federal resources. For example, we are increasing the use of proven practices through "Knowledge Application" arm of the program and we anticipate increasing in system capacity by improving efficiency and effectiveness of services through "Knowledge Development" arm.

Our priorities for "Knowledge Development" are: "managed

care", "early childhood problems and working families", and "improving community services". For example, in the area of early childhood and working families, SAMHSA has launched a Starting Early-Starting Smart collaborative effort. Working with The Casey Family Program and the Department of Education, SAMHSA is developing new knowledge, demonstrating what works, and creating collaborative community-based partnerships to sustain improved primary, mental health and substance abuse prevention services for children from birth to age 7 and their families or care givers. SAMHSA initiated the Starting Early-Starting Smart program because so many social and economic factors impact children's mental health and well being and their potential for substance abuse. This interagency collaboration will bring all the available resources to bear on providing coordinated, quality health care services for children and their care givers. I clearly see this collaboration as just the beginning of a much needed effort to improve the lives of our children.

Our priorities for "Knowledge Application" are: "changing systems and practices" and developing "standards and guidelines." In the category of "changing systems and practices," SAMHSA has initiated a new approach toward youth substance abuse prevention

that takes advantage of the unique role the Federal government can play in this nationwide problem. Under our new State Incentive Grant Program for Community Based Action, the application calls upon States to develop comprehensive strategies for youth substance abuse prevention. State plans must account for Federal and State funding streams and programs in the State, identify gaps and propose how the combined resources will be brought together and used to reduce youth substance abuse. In particular, the Substance Abuse Prevention and Treatment Block Grant is an appropriate pool of funds for the States to draw upon to support this Initiative.

In designing their plans, States may propose their own approaches but will be offered a menu of effective substance abuse prevention strategies and programs that are based on scientific research. State plans must include performance and outcome measures and success will be measured through the reporting of both baseline and post-program data. Another key component of a successful application will be the involvement of established community groups. We see community involvement and action as key to the success of this initiative. Further, State involvement is critical to our need to coordinate efforts and

leverage Federal resources.

To effectively carry out the transition to the KDA approach, SAMHSA is proposing consolidated authorities in substance abuse prevention, addiction treatment and mental health services. These provisions would replace a number of current prescriptive and restrictive categorical provisions with programs that provide increased flexibility with a focus on performance and results.

While the Knowledge Development and Application program and the Performance Partnership Block Grants remain the largest and most visible of SAMHSA's current efforts, our proposal continues other SAMHSA activities that are critical to improving quality and availability of services. These include: collecting and analyzing data; developing comprehensive community mental health services for children and adolescents; developing the first ever "Report Card" generated by and for consumers of mental health services to gauge accessibility and quality of mental health services provided through managed care plans; and investigating incidents of abuse and neglect of individuals with mental illness.

Over the years, our work and the taxpayers' investment in SAMHSA have shown that substance abuse prevention, addiction treatment and mental health services can and do work. We also know that investing Federal resources in these areas make sense. It improves lives, strengthens families, and increases productivity. At the same time it saves dollars across a broad spectrum of other Federal government programs, including housing, education, welfare, Medicaid, labor and criminal justice.

Mr. Chairman, we are committed to continuous improvement in the way SAMHSA does business and to ensuring that our efforts continue to have a positive impact on the Nation's prevention and treatment systems. We are requesting not only reauthorization but some improvements in our authorizing language that will enhance our ability to have a greater impact on substance abuse and mental health problems in the U.S. and at the same time demonstrate accountability for the Federal dollars entrusted to SAMHSA.

It is clear that each new generation of American youth presents us with new challenges. Each new scientific advance in substance abuse prevention, addiction treatment and mental health

services provides new options. And these options need to be translated and applied to every day, real-life practices in order to improve the quality and availability of substance abuse prevention, addiction treatment and mental health services.

SAMHSA's Knowledge Development and Application program is the Federal tool specifically designed to make progress and improve services in our Nation's communities. Our Performance Partnership Block Grants with States are the vehicles available to leverage adoption of best practices and increases our capacity to deliver quality services to individuals in need. In short, this is SAMHSA's unique role in the Federal government.

I'm optimistic and enthusiastic about what the future holds for our ability, with the Subcommittee's help to address some of the Nation's most costly and devastating problems. Again, Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear today. I'll be pleased to answer any questions you may have.